



Division of Behavioral Health and Recovery
Program Policy No 13.02

Subject: Indirect Costs Limits for DBHR Contracts

Information Contact: Chief, Office of Behavioral Health and Prevention
Division of Behavioral Health and Recovery
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Authorizing Source: Section 208, Washington State 2011-13 Budget Bill

Effective Date: December 1, 2012

Revised: January 19, 1995
July 30, 2002

Approved By: 
Chris Imhoff, Division Director

Sunset Review Date: December 1, 2014

Purpose

This policy establishes the maximum amount of indirect costs that may be charged or included in contracts developed by the Division of Behavioral Health and Recovery (DBHR) that are related to substance abuse or problem gambling.

Scope

This program policy applies to all contracts developed by the Division of Behavioral Health and Recovery (DBHR) that are related to substance abuse or problem gambling.

Policy

Per Section 208 of the Washington State 2011-13 Budget Proviso, indirect costs charges for administering programs shall not exceed ten (10) percent of the total maximum contract consideration.

Indirect costs included as an element of a set rate or fixed rate contract shall not exceed ten (10) percent of the total set rate or fixed rate for each element of the contract.

An entity or contractor can have indirect costs and administrative costs in the same contract as separate budget items; however, the sum of administrative and indirect costs shall not exceed ten (10) percent of their maximum contract consideration.

Definitions

Indirect Cost: Indirect costs are those elements of cost incurred by the entity or organization as a whole and are not generally subject to the direct control of the individual department managers. Indirect costs are often referred to as overhead or administrative.

Indirect costs are not readily identified as an element or component of a product (whether the product is tangible or intangible) but are easily recognized as necessary for the production of the product.